



## Department Of Insurance

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**GEORGE NICHOLS III**  
COMMISSIONER

**PAUL E. PATTON**  
GOVERNOR

November 22, 2000

Dear Advantage Care Participating Pharmacist:

The Kentucky Department of Insurance and MedImpact reached agreement in Franklin Circuit Court today that protects all Advantage Care policyholders and requires all participating pharmacists to continue honoring Advantage Care and MedImpact prescription drug benefit cards.

As you know, MedImpact is the pharmacy benefit manager that negotiated the contract with pharmacists on behalf of all Advantage Care policyholders.

Any previous misinformation from Advantage Care about MedImpact pharmacy benefits being terminated is incorrect. Advantage Care or MedImpact prescription cards are valid and are to be honored by all participating pharmacists. Pharmacists should honor the Advantage Care or MedImpact pharmacy card and continue taking payment exactly as they always have under contract.

If pharmacists do not follow the terms of the contract, the department will take action to protect consumers. If consumers experience problems, they should contact the Department of Insurance's Consumer Protection & Education Division at 800-595-6053. Pharmacists should contact the same number if they have questions. Full details of this matter are on the department's web site at [www.doi.state.ky.us](http://www.doi.state.ky.us).

Pharmacists should note that Advantage Care has asserted to the court that it expects to be able to pay claims through Dec. 31 of this year. In addition, according to state law, all Advantage Care participating pharmacists will be the first class of claims paid out of the assets of Advantage Care after administrative expenses of dissolving the company are paid.

The joint agreement reached today in court with the department and MedImpact protects all 36,000 policyholders of Advantage Care that use pharmacy benefits. In an average month, about 12,000 of the 36,000 policyholders seek prescription drugs.

The department took this emergency action because interruption of medication for as little as 12 hours can have a detrimental effect on a patient's health. For example, 3 percent of all prescriptions issued by Advantage Care are for seizure and neurological disorders, 20 percent for hypertension and cardiac disease, and 8 percent for diabetes and asthma.



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Franklin Circuit Judge Roger Crittenden supervises the department's daily operation of Advantage Care now that the Lexington-based insurer is in court-ordered rehabilitation, leading up to likely liquidation by Dec. 31.

Today's court decision assures payment to MedImpact for some pending claims and provides assurances for future pharmacy claims until Advantage Care ceases operation.

The first detailed public accounting of Advantage Care's finances is scheduled for 10 a.m., Nov. 28, in Franklin Circuit Court.

Employer groups who previously relied on Advantage Care to insure employees deserve credit for responding to this difficult situation by quickly moving their employees/policyholders to other insurers and benefit plans. These actions will not only assure policyholders of continuing health insurance benefits but will greatly ease the financial burdens on Advantage Care.

Sincerely,

George Nichols III  
Kentucky Insurance Commissioner and Advantage Care Rehabilitator